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S E C R E T SECTION 01 OF 02 BAGHDAD 000376

STPDTS

SIPDIS

OSD FOR SECRETARY GATES FROM AMB CROCKER

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SUBJECT: SCENESETTER FOR SECRETARY GATES VISIT TO IRAQ

REF: 07 BAGHDAD 03922

Classified By: Ambassador Ryan C Crocker for reasons 1.4(b) and (d).

11. (S) Mr. Secretary: Since your visit in December (reftel), we have seen further progress on security: now renamed the Sons of Iraq, continue to flourish; and the Iraqi people's confidence in the Iraqi Security Forces (ISF) is increasing, evidenced by greater commercial activity in urban areas. ISF, both Army and Police, are showing greater professionalism, often leading - and taking casualties - in the fight against AQI and illegal armed groups. Northern Iraq continues to be problematic and Turkish air strikes are beginning to play into tensions between the Kurdish leaders and the leadership in Baghdad. On the political front, PM Maliki has shown staying power, though his health creates real concern. Many of the cabinet seats vacated by party walk-outs remain empty. Maliki has recently indicated plans to shuffle, shrink, and rationalize his cabinet, which would be a real improvement if he carries it off. There has been some movement on key legislation, including passage of a de-baathification law, but the budget remains caught in a dispute over the share of national revenue for the Kurdish Regional Government (KRG). The recent revival of the three-plus-one power sharing mechanism by President Talabani is a hopeful sign, especially as we begin LTSR/SOFA negotiations that the three-plus-one will oversee. It would be helpful for you to praise this inclusive approach as well as to press Maliki to aim for a timely - not later than June 2008 - agreement, emphasizing that its conclusion will put our relationship on a more normal - and more mature - footing.

GOVERNMENT WOES

12. (S) Of the 36 cabinet seats within the Maliki government, many remain empty due to walk-outs by the Sunni Tawafuq bloc and the Sadrist, Iraqiya, and Fadilah blocs. All remain deeply suspicious of Maliki and his backers. Talks have just started with Tawafuq to return to government, and a group of technocratic nominees may be sent to the Parliament soon to replace the other parties. With the Shia and Kurdish alliance keeping the government afloat, Maliki has had little incentive to be flexible or conciliatory. In the wake of the security surge, however, political conditions have altered just enough to perhaps allow for a new coalition of parties and ministers led by Maliki, pursuing a less sectarian agenda. The litmus test will be this coalition's ability to achieve passage of benchmark legislation and meaningful reconciliation.

13. (S) Progress on the legislative agenda is a mixed

picture: The Justice and Accountability Law (de-Baathification) was passed by the Council of Representatives (COR) and approved February 3 by the Presidency Council.

Maliki has expressed legitimate concerns that the law, if implemented in a draconian way, would require him to fire some of his better police and military commanders due to their former ties to the Baath Party. To address this, we are encouraging "selective implementation" rather than what would likely be a lengthy and contentious effort to amend the new law. We are hopeful the Provincial Powers Law will come to a final vote this week. Passage of the elections law and hydrocarbons legislation will present formidable

SECURITY

- 14. (S) A major factor in security gains over the past few months has been the work of the "Concerned Local Citizens" now numbering about 85,000 and renamed "Sons of Iraq" (SoI). As only about 20 percent of SoI personnel will be able to obtain permanent security-related careers in the ISF; therefore the Embassy and MNF-I are working to knit together employment and training programs so the others develop employment skills. These programs currently include USAID's Community Stabilization Program (CSP), a pilot Community Service Corps (CSC) program (funded with CERP) and the DoD/GOI Joint Technical Education Reintegration Program.
- 15. (S) PM Maliki's recent announcement of re-hiring some former Ba'ath party cadres in recognition of their efforts to battle AQI and his efforts to pass a general amnesty

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challenges over the coming months.

law, now under debate in the COR, are both positive developments. But the government is going to need to do much more to gainfully occupy those who don't make the cut to join the security forces.

16. (S) The government's response to the security situation in Ninewa province will be a good measure of its capacity to deal with tough problems (with assistance). PM Maliki traveled February 2 to Mosul to lead a Crisis Action Cell, a sign that he is feeling more confident as well as a welcome indicator of willingness to actually take responsibility for real security of the citizens.

RETURN OF REFUGEES

17. (S) As the security situation improves in the country, in particular in Baghdad, refugees who fled to Syria or Jordan have been returning. Some have been helped by GOI programs to transport them to Iraq and provide initial subsistence funds to help them re-establish themselves in Iraq. Data on how many have returned, and the motivation for returning, is spotty, but we do know that there is no plan for their resettlement. The GOI will need to turn its attention to this problem quickly lest it contribute to ethnic tensions and retard reconstruction efforts.

LTSR/SOFA

18. (S) We anticipate beginning LTSR/SOFA talks in the next two to three weeks. Ministry of Foreign Affairs professionals, with MOD and other ministries support, will lead the talks under the guidance of the revived three-plus-one, who with political party leader from the COR will form the steering board for negotiations. As we begin negotiations, we must get across the message to Iraqi politicians and the public that the process will be transparent and the resulting agreement will recognize Ira's sovereignty and status as a

partner with the United States. During your conversations here, it would be useful to emphasize our sensitivity to Iraq's concerns and our desire to have an agreement that will satisfy both sides' needs.

Neighbors

- 19. (S/NF) We are preparing for a further round of trilateral talks with Iran, currently slated for February 115. Continuing Iranian support for militia activity will be a focus of our presentation. The GOI has made representations of its own to Damascus on the foreign terrorist fighters issue, which our Charge there will follow-up shortly with a detailed briefing.
- 110. (S) The continuing air strikes by the Turks against KGK targets in northern Iraq have begun to have repercussions with implications for our agenda in Iraq. Both GOI and KRG officials are impatient with a military campaign which they assess cannot alone solve the problem and with the absence of political or diplomatic initiatives from Ankara. The Turks have offered some modest military cooperation which we hope the Iraqis will quickly accept. However, it is now even more imperative that GOT leaders extend a formal invitation to President Talabani to visit Ankara and that they undertake a meaningful dialogue with the Iraqis, which includes KRG officials.
- $\underline{\ \ }$ 11. (U) I look forward to welcoming you to Baghdad. Warm regards. CROCKER